

Name: _____ Adm No.: _____

Candidate's Signature: _____

Date: _____

565/1

BUSINESS STUDIES

PAPER 1

AUGUST / SEPT. 2022

TIME: 2 HOURS

SUKELLEMO MOCK EXAMINATION

Instructions

- ❖ Answer ALL the questions in the spaces provided.
- ❖ This paper consists of 10 printed pages.
- ❖ All answers should be written in English.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

16	17	18	19	20	21	22	23	24	25

TOTAL

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1. Outline four principles of economic planning. (4 marks)

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2. Outline four ways in which a business idea can be implemented. (4 marks)

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3. Highlight four circumstances under which a firm would be located near a market. (4 marks)

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4. State **four** measures that the government can use to encourage increase in the country's volume of exports. (4 marks)

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- 5. Highlight **four** positive impacts of the physical environment on the operations of a business. (4 marks)

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- 6. Highlight **four** problems associated with monopoly market structure. (4 marks)

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- 7. Match the source document with the correct book of original entry. (4 marks)

Source Document	Book of Original Entry
Outgoing receipt	
Incoming invoice	
Incoming Credit Note	
Outgoing debit note	

- 8. Outline **four** benefits that accrue to customers as a result of agency banking. (4 marks)

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9. Highlight the use of the following documents used in home trade. (4 marks)

(i) Proforma invoice

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(ii) Quotation

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(iv) Advice note

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(v) Credit note

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10. These following figures relate to the Jumbo trader for the year ended 31/12/13

Details	Shs
Capital 31/12/13	940,000
Net loss	20,000
Additional investments	420,000
Quarterly drawings	15,000

Determine the capital as at 1/1/2013 (4 marks)

11. Highlight **four** roles of advertising agencies in product promotion. (4 marks)

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12. Judy, a form four leaver has joined Facebook. Give **four** business related benefits that she can get from being a user of Facebook. (4 marks)

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13. The information below was extracted from the books of Kinyua Traders for the year ended 31. 12. 2021

Opening stock	45,000
Closing stock	15,000
Turnover	340,000
Margin	25%

Required:

(i) Gross profit (2 marks)

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(ii) Purchases

(2 marks)

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14. Outline four ways in which an organization may safeguard and control the use of its property.

(4 marks)

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15. State the type of a cooperative society that fits the description given below. (4 marks)

Description	Type
A cooperative formed to improve the production and selling of goods produced by members	
An association of buyers formed to be buying quality goods in bulk and selling to members at fair prices	
An association of persons who save regularly into a common pool from which a member may obtain loans at low interest	
Formed by members who save into a common pool and the funds used to construct houses for members	

16. Outline four reasons why governments issue licenses to businesses.

(4 marks)

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17. Martha had a comprehensive insurance policy for her motor vehicle worth Shs. 2,000,000 with three insurance companies as follows;

Shs.

Jubilee;	500,000
Madison;	700,000
Sanlam;	300,000

Calculate the compensation by each insurer if the motor vehicle was involved in an accident and written off. (4 marks)

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18. Enter the following transactions in the relevant ledger accounts (4 marks)
2022

- April 1 Janet Cosmetics started a business with Ksh. 150,000 cash
- „ 3 Bought stock of goods for Sh. 40,000 and paid in cash
- „ 6 Opened a bank account and deposited Sh. 60,000 from the cash till
- „ 9 Purchased an office machine for Sh. 25,000 and paid by cheque

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19. Highlight four disadvantages of using intermediaries in the distribution of goods. (4 marks)

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20. Outline four circumstances under which the government may find it necessary to raise funds through internal borrowing. (4 marks)

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21. Outline measures the government has taken to reduce further loss of lives in road transport. (4 marks)

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22. Highlight four importance of Business Studies to a learner. (4 marks)

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23. Using a well labelled diagram, show the effects of increase in consumer's disposable income on an equilibrium. (4 marks)

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24. List four factors that have led to decline in mortality rate in Kenya. (4 marks)

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25. National Income = $C + I + G + (X - M) + (\text{Subsidies} - \text{Indirect tax})$ (4 marks)

a) Which method is this used to measure national income?

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b) State the meaning of

i) C.....

ii) I.....

iii) G.....

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